

Digital Agenda

Position Paper adopted by the EPP Presidency
22 April 2015



Importance of the Internet for economic growth and innovation

New technologies are emerging fast and have enormous potential for our society and economy to develop further. We cannot wait any longer to create a fully integrated Digital Single Market (DSM) if we want to remain competitive. Creating the DSM would benefit our citizens in the form of better competition, more much-needed growth, more jobs and a more flexible labour market. The digital economy as a source of sustainable growth will also remain strong in the future if we are willing to make the DSM a reality, since productivity growth will be determined to a large extent by the continued horizontal and vertical spread of the Internet. At least one-fifth of economic growth in the past five years in mature markets has come from the digital technology sector and its positive spillover effects on the economy as a whole. The EU's digital economy is expected to grow seven times faster than the overall EU GDP in the years to come and we have to make sure that the right regulations are in place to make that a reality. Further digitalisation will influence all aspects of our lives. Therefore, it is of the utmost importance that we adopt a holistic approach to the Digital Agenda.

There are two billion Internet users worldwide, which makes it possible for start-ups, small and growing enterprises to access potential clients across the globe. We need to highlight the tremendous opportunities for economic growth and innovation that the Internet offers to citizens, as well as to businesses today and in the future. Completing the Digital Single Market is estimated to increase the EU's GDP by 4% by 2020 and create hundreds of thousands of new jobs and a vibrant, knowledge-based society. Yet it also risks polarising the labour market if current and future employees are not equipped with future-proof digital skills. We are talking about a potentially massive boost to the economy, comparable to the Single Market Programme of 1992. After many years of discussing how to create the European Digital Single Market, it is time to make it a reality. There are many issues that need to be tackled, ranging from telecoms regulation to copyrights and boosting digital skills. The European Commission, led by Jean-Claude Juncker, has the DSM as one of its flagship projects. In this document, we want to highlight the key issues that need to be tackled in order to create a European Digital Single Market that would benefit citizens, consumers, employees and businesses alike.

01

Digital Skills, Literacy and Inclusion are needed for the Digital economy

According to the European Commission's projections, by 2020 the European Economy will face a shortage of 900,000 qualified ICT-skilled employees. At the same time, increasing automation risks displacing medium-skilled jobs, whereas effective labour market mobility will require employees to be equipped with future-proof digital skills. The economy and labour market are shifting as a result of further and deeper digitalisation, but the projected shortage of qualified employees is alarming and will stop us from benefiting fully from the digitalisation of our economy. Despite the fact that there are 250 million Europeans that use the Internet daily, there are millions of Europeans who have never used the Internet at all. At the same time, it is especially important to strengthen trust of the digital economy among senior citizens so that they are not left behind. Therefore, this point should be addressed as quickly as possible.

The European People's Party:

- Calls on the European Commission and the Member States to make it a priority to provide people, in a manner that is open to everyone, with the digital and entrepreneurial skills that enable them to make full use of new digital technologies;
- Calls on the European Commission and the Member States to boost ICT training and education for employees in order to equip both the current and the future workforce with future-proof digital skills;
- Calls for a coordinated effort between education providers and the industry in order to adapt curricula to labour market needs, in order to make sure that relevant skills are taught;
- Encourages the Member States to boost ICT education by promoting specialised training for teachers;
- Encourages the Member States to introduce coding classes and new innovative ways of learning through the use of e-learning;
- Calls for reallocating funding within the Youth Employment Initiative for organisations/programmes that provide unemployed young people with e-skills;
- Calls on the Member States to encourage and give incentives to women to join the ICT-sector;
- Calls on the Member States and private sector partners to encourage more students, especially women, to enrol in STEM (science, technology, engineering and math) subjects in universities;
- Calls on the European Commission to broaden the Grand Coalition for Digital Jobs and push private sector partners to offer more trainings and internships.

02

Removing obstacles for e-commerce to flourish

On the Internet we have highly innovative services and new markets of which future structures and business models cannot be predicted, due to their innovative nature. That is not to say that all regulations are ineffective or harmful in such markets; clearly they are not. But we do need to exercise extra care when designing regulations so that innovation is not hindered. There are still obstacles for e-commerce. Some are caused by a lack of harmonised legislation, some by a lack of implementation of the existing legislation and some by too stringent and nowadays 'not-fit-for-purpose' legislation that was created before digitalisation had properly begun.

The European People's Party:

- Calls for a new approach to EU VAT rules that hamper e-commerce, especially taking into account the special needs and concerns of micro-companies, SMEs and the digital market;
- Calls on the European Commission and the Member States to address the problem of missing commercial guarantees in customer-to-customer contracts;
- Calls on the European Commission and the Member States to address the need to streamline postal delivery across the EU, facilitate card, electronic and mobile payments, and increase trust in online shopping;
- Calls on the European Commission and the Member States to align VAT rates applied to printed and online media products;
- Calls on the European Commission to move the Common European Sales Law project forward based on the first reading position of the Parliament.

03

People-to-people services

Digitalisation changes the way the economy and companies work. The European service sector has a major opportunity to adopt more innovative and efficient models, which will bring overall welfare and efficiency gains. Unfortunately, European countries have been reluctant to open service sectors for competition and accept companies using new digital service production models, which are expanding rapidly in the USA. **The European People's Party:**

- Calls on the Member States to open more service sectors for competition, to create opportunities for small and medium-sized enterprises, and to afford special assistance to SMEs to overcome challenges;
- Calls on the European Commission and the Member States to address the issue of fair competition between companies utilising new digital models to produce services compared to other more traditional models;
- Calls on the European Commission and the Member States to address reforming labour legislation to create a more flexible labour market, whilst keeping in mind the social aspect of reforms;
- Calls on the European Commission and the Member States to ensure that the digital shift in the economy is combined with the necessary training or retraining for digital skills in the labour market, in order to provide quality jobs and sustainable growth for a future-proof social market economy.

04

Modern copyright for the Digital Single Market

The current copyright framework is not fit-for-purpose if we want a proper Digital Single Market. Consumers are embracing the digital era; they want to be able to enjoy content at any time on any device, wherever they are. Simplifying rules about cross-border copyright and providing efficient, collective rights management alongside the most recent technological developments of electronic identification will help connect consumers and providers.

The European People's Party:

- Calls for a European approach with regard to ensuring a high level of copyright protection and the remuneration of authors and the objective of access to cultural goods and knowledge in the public interest;
- Calls for the creation of a European copyright framework in order to achieve a level playing field for the creative industry. This should be done based on the different laws, cultures and traditions;
- Calls for a new copyright framework that protects intellectual property and ensures fair compensation for creators in order to stimulate creativity and innovation while allowing the development of new innovative services and crossborder access for customers;
- Calls for a new copyright framework that is more connected to our technological development and open enough to accommodate future ones, and which ensures common rules that will promote people's access to education, culture and research;
- Calls for the further harmonisation or codification of the EU copyright framework, which strengthens the protection of the rights holders and focuses on exceptions and limitations with an end result of setting clear rules for commercial and noncommercial users.

05

Freedom of cross-border data flows

One of the central values of the EPP is freedom of expression. Freedom of cross-border data flows and freedom of the Internet helps to defend and guarantee this value. We need our international partners to work together with us to guarantee freedom of the Internet and freedom of expression. And there is much Europe can do to get a much better infrastructure in place together with our international partners in order to guarantee those freedoms.

The European People's Party:

- Underlines the necessity for Europe to take the lead in establishing a global regulatory strategy that helps to uphold civil liberties on the Internet more generally;
- Emphasises the need to strengthen the EU's position on data flows to ensure that it also captures the economic benefits and opportunities, instead of only reverting to the protection of data. Additionally, we need a balanced approach between security and openness. Freedom and security are two sides to the same coin; they are not conflicting goals;

- Calls for the inter-operability of public information systems, like e-government and e-health, across the EU;
- Calls on European leadership in on-going international discussions to support the free flow of information, while constantly working towards a more secure and safe Internet environment, and to ensure that third country regulations affecting Internet services cannot be used as trade barriers;
- Emphasises that having one rule instead of 28 for data protection will help SMEs break into new markets;
- Calls for a forward-looking agenda for establishing global regulations on the Internet. Additionally, calls for supporting efforts aimed at creating a global Internet that is free, open and based on a multi-stakeholder model of Internet governance;
- Demands that there be a strong digital/ICT component in the Transatlantic Trade and Investment Partnership (TTIP) and that the digital sector is fully included in the TTIP negotiations in order to ensure that the needs and demands of the EU Member States in this regard will be addressed.

06

Creating a Single European Market

The telecoms market remains fragmented along national borders in terms of its structure, consumer pricing and protection rules, data protection rules, network access fees and radio spectrum allocation. In other words, we are still far from completing the Telecoms Single Market (TSM), and operators wishing to offer services in the entire Union still face 28 different regulators. Therefore, we call for the on-going reform of telecoms rules to be ambitious and forward-looking in order to complete the TSM. **The European People's Party:**

- Calls for developing an efficient spectrum policy that would bring a coordinated spectrum assignment and certainty for investors, and continuing to explore the idea of a single regulator and of pan-European licenses;
- Calls for eliminating retail roaming charges before 2016 and for reviewing wholesale retail charges;
- Calls for freedom to provide electronic communications across the EU by enabling efficient telecom companies to compete on a continental scale, and for structuring current competition law in this regards; this will bring economies of scale and affordable cross-border prices, thereby benefiting every European with more choices;
- Calls on the EU to embrace the principle of Net Neutrality since in the open Internet equal types of traffic should be treated equally;
- Operators should be free to offer specialised services, which do not lead to a decrease in quality of open Internet services or discrimination between competing services. Innovations like e-health services, gaming, etc. should be possible;
- Emphasises that consumers should not be discriminated against based on their geographic location, and discriminatory practices in all sectors of online shopping and payments need to be addressed with the appropriate measures;

- Acknowledges that wholesale access to leased lines, foreign equity caps and access to public procurement at the sub-federal level remain a strong concern for our European industry and often hamper innovation;
- Calls for fair competition between platforms and operators, especially in the case of data protection rules.

07

The Gigabit society – Technical capacity

The demand for mobile data traffic is exploding, growing by 60-100% each year. The services of tomorrow will not be possible with the speeds and capacities of today. Therefore, we must set the targets right. Being better than others requires us to talk about GBs instead of MBs.

The European People's Party:

- Calls for more ambitious goals on full Internet coverage;
- Calls on the European Commission to urgently promote investment in developing the next generation technologies and to promote their deployment. European structural funds and the funding for broadband and Trans-European Telecommunication Networks must be based on the criteria of tomorrow;
- Demands that technological innovations such as Cloud Computing, the “Internet of Things” and Big Data are allowed to thrive in the EU in order to create the necessary preconditions for the next Googles and Amazons to be European. We should explore and open the public datasets which are currently inaccessible, work together to increase storage capacity and analytical capabilities, and consider multilingual data as a competitive advantage of Europe to lead on global data markets;
- Demands that interoperability be encouraged and rewarded so that all market players can participate in the market.

08

Improving labour market opportunities for all EU citizens

Digitalisation changes the way the economy, employers and employees work, thus offering opportunities to develop a new and more inclusive labour market. An increased competitiveness of the industry and of businesses attracts new investment and, thereby, creates new jobs. **The European People's Party:**

- Underlines the key role that ICT can play in facilitating more flexibility in labour market patterns and a better work-life balance;
- Calls on the EU Member States to tirelessly highlight the potential of ICT for the purpose of renewing labour market patterns in favour of fighting unemployment, involving senior citizens and strengthening gender equality;
- Calls on the European Commission to conduct prospective studies on the working times and days patterns, taking into account their impact on health, on the sustainability of our pension and social systems and on the inclusion of women in the labour market.

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**If you have any question
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